

1 UNITED STATES DISTRICT COURT
2 FOR THE SOUTHERN DISTRICT OF CALIFORNIA
3

4 UNITED STATES OF AMERICA,)
5 Plaintiff,) No. 15-CR-2310-WQH
6 v.) December 15, 2017
7 OWEN HANSON,) 2:03 p.m.
8 Defendant.) San Diego, California
9)
10)

11 TRANSCRIPT OF SENTENCING HEARING
12 BEFORE THE HONORABLE WILLIAM Q. HAYES
13 UNITED STATES DISTRICT JUDGE

14 APPEARANCES:

15 For the Plaintiff: United States Attorney's Office
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20 For the Defendant: Law Offices of Mark Adams
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1 SAN DIEGO, CALIFORNIA, DECEMBER 15, 2017, 2:03 P.M.

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3 (Defendant present.)

02:03 4 THE CLERK: Matter number 4, 15-CR-2310, United States
5 of America vs Owen Hanson.

6 MR. ADAMS: Good afternoon, Your Honor. Mark Adams on
7 behalf of Owen Hanson. He is present in court.

8 MR. YOUNG: Good morning, Your Honor. Andrew Young
9 and Benjamin Katz for the United States.

02:03 10 THE COURT: Good afternoon.
11 Counsel, I have reviewed the addendum -- the
12 presentence report, the addendum to the presentence report, the
13 objections to the presentence report, the defense sentencing
14 memo, the defense sentencing recommendation, the Government's
02:03 15 sentencing summary chart, the Government's sentencing memo and
16 reply to the presentence report, the Government's motion, the
17 defense submission of 12/7, and the Government's submission of
18 12/14.

19 Counsel, have you had an opportunity to review and
02:04 20 discuss the presentence report with your client?

21 MR. ADAMS: Yes, Your Honor. Did Your Honor mention
22 the defense submission of 11/22?

23 THE COURT: Yes. Well -- yes, and I have reviewed
24 that. That is -- I titled that defense sentencing
02:04 25 recommendation, and so when I said defense sentencing

1 recommendation --

2 MR. ADAMS: Very good.

3 THE COURT: -- I was referring to that document.

4 MR. ADAMS: Thank you, sir.

02:04 5 THE COURT: With respect to the objections to the
6 presentence report, you object to paragraph 21 that references
7 that in August of 2011 Hanson threatened RC and RC's spouse
8 with bodily harm if RC refused to transport an additional two
9 and a half million of criminal proceeds from Australia to the
02:05 10 United States.

11 Your position is that there was no threat; is that
12 right?

13 MR. ADAMS: Yes, Your Honor, that there was no direct
14 threat. That is correct. There had been threats on the other
02:05 15 direction, frankly.

16 THE COURT: And, you know, in light of the fact
17 that -- there is no objection to paragraph 22, 23, 24, 25, that
18 also deal with some threats purportedly made or indirectly made
19 by your client, and paragraph 20 deals with in 2011 Hanson
02:05 20 attempted to cause an individual -- excuse me -- paragraph 19
21 talks about Hanson causing an individual to transport one and a
22 half million in drug trafficking proceeds from Australia to Las
23 Vegas, Nevada.

24 Paragraph 21, the paragraph that you object to,
02:05 25 frankly, would not have any impact on the sentence.

1 Does the Government wish to be heard on the objection?

2 MR. YOUNG: No. That is the point we tried to make in
3 our response. Although, I concluded fewer paragraphs than the
4 Court mentioned.

02:06 5 THE COURT: I'll sustain the objection -- or it just
6 won't have any impact --

7 MR. ADAMS: Fair.

8 THE COURT: -- on the sentence.

9 With respect to the paragraph 38, that deals with his
02:06 10 conduct while he's been in custody, I take that by way of
11 explanation.

12 MR. ADAMS: Yes, sir.

13 THE COURT: And then with respect to paragraph 42, I
14 take that as an additional explanation. And then, you know,
02:06 15 the criminal history, I just don't know whether -- I'll
16 consider that. I just don't know whether the criminal history
17 at this point is really going to have an impact on the
18 guidelines, but I'll certainly consider that during the
19 argument section of the sentencing.

02:07 20 And then the last objection is the paragraphs that
21 deal with -- that is, paragraphs 99 to 101 -- really deal with
22 the issues with respect to a clarification of the financial
23 information; is that right?

24 MR. ADAMS: Correct, Your Honor.

02:07 25 THE COURT: And then I understand that -- and you just

1 object to an imposition of a fine.

2 Counsel, have I addressed all of the objections to the
3 presentence report?

4 MR. ADAMS: You have, Your Honor. Thank you.

02:07 5 THE COURT: All right. May I see counsel at sidebar
6 to deal with an issue that was raised in more recent filings.

7 MR. ADAMS: Yes, sir.

8 (Side Bar proceedings took place, Record sealed.)

9 THE COURT: We'll be in recess for ten minutes.

02:18 10 (Recess ensued from 2:18 p.m. to 2:22 p.m.)

11 THE COURT: From the Government -- you can come
12 forward.

13 (Sidebar proceedings:)

14 THE COURT: There may be an issue -- I'll wait for
02:23 15 Mr. Adams, but I think Mr. Adams was requesting that the
16 marshals not be present and the marshals have to be. And if
17 Mr. Adams wants it to be private, he can continue this or he
18 can talk to him out there. That is the purpose of it.

19 Mr. Adams, the marshals have told me that you would
02:23 20 like privacy, and the procedures don't allow them to leave the
21 room.

22 MR. ADAMS: But he is in the lock up now, and they are
23 looking in through the window, so they can see where we are.

24 THE COURT: Have they worked that out?

02:23 25 MR. ADAMS: They worked it out with their supervisors.

1 THE COURT: Is that worked out?

2 THE DEPUTY MARSHAL: Yes. Unbeknownst to me, when we
3 were discussing it, it was worked out.

4 THE COURT: All right. Take your time.

02:24 5 (Sidebar proceedings concluded.)

6 (Recess ensued from 2:24 p.m. to 2:30 p.m.)

7 THE COURT: Mr. Adams, you wish to come sidebar?

8 MR. ADAMS: Yes, Your Honor. Thank you.

9 (Side Bar proceedings took place, Record sealed.)

02:37 10 THE COURT: All right. Mr. Adams, are there any
11 comments that you would like to make, sir, with respect to the
12 sentence that the Court should impose?

13 MR. ADAMS: Yes, Your Honor. I -- thank you. I do
14 want to acknowledge and introduce some of the folks whose taken
02:37 15 time this afternoon to come to this sentencing hearing. Many
16 have come from great distances, including Mr. Hanson's father
17 and his mother is here. His sister is here. Some friends from
18 Los Angeles, Dan Halliday, Brandon Hancock, Bill Hancock,
19 Cynthia Valarde is here, his sister-in-law, and his wife's aunt
02:38 20 is here, and his two step kids are here as well.

21 His wife couldn't be here. She has another family
22 member in Mexico whose having surgery -- or had surgery
23 yesterday, something like that, and she is looking after her,
24 and so there is a community of people that are and remain very
02:38 25 supportive of Mr. Hanson.

1 Your Honor, I want to say that the consequences of
2 what happens here today will resonate with Owen Hanson and with
3 his family for a lifetime. He alone is responsible for that.
4 No matter what sentence Your Honor imposes, Owen Hanson will be
02:38 5 under court supervision for a very, very long time.

6 We're asking for 121 months. We're also asking for
7 ten years of Supervised Release to follow, and Your Honor knows
8 that we agreed to a \$5 million forfeiture judgment.

9 He'll be under -- if Your Honor agrees with us, he'll
02:38 10 be under court supervision for at least 20 years. The
11 forfeiture judgment will likely impact his life forever, and it
12 will require him to report regularly his financial situation to
13 government authorities.

14 THE COURT: Excuse me for interrupting, Mr. Adams.
02:39 15 So -- when you are referring to what he has agreed to, is it
16 correct to say that there is no objection to the proposed order
17 of forfeiture that has been submitted to the Court by the
18 Government?

19 MR. ADAMS: That's correct.

02:39 20 THE COURT: All right. I'll sign that now. Thank
21 you.

22 MR. ADAMS: Yes, sir. I know Your Honor has reviewed
23 a lot of materials. We presented a lot of letters and a lot of
24 information to the Court, and I really want to endeavor not to
02:39 25 repeat all that, but I do want to point out that Owen was

1 raised in Redondo Beach. He grew up in a very wealthy
2 community, went to USC. He was fortunate to have been able to
3 go to that University. He was exposed, again, to extraordinary
4 wealth.

02:39 5 He entered the job market 2005, 2006. It was in real
6 estate and real estate development. He enjoyed early success
7 in that, and then the economy, particularly in real estate,
8 collapsed in 2007, 2008, but -- and he went entirely the wrong
9 direction. He went into this gambling organization. He went
02:40 10 into narcotics distribution in order to fuel his lifestyle, and
11 he excelled in those things in a very negative way.

12 And it is likely a testament to his charisma and his
13 charm and his great personality that is described by many of
14 the letter writers.

02:40 15 He was using drugs and alcohol at the time. It
16 certainly clouded his judgment, and I would like to think that
17 he was completely out of control.

18 He has accepted responsibility here. He has worked
19 hard to rehabilitate himself and to address those character
02:40 20 flaws. I think it is important to note that Owen Hanson really
21 on the whole record of who he is and his whole life is not a
22 dangerous person. He is not a drug kingpin in the true sense
23 of that term.

24 He made connections with sources of supply and with
02:41 25 distributors. He found ways for people to import and tranship

1 drugs. And, again, his winning personality I think helped him
2 in that endeavor.

3 And he didn't control those other people. He didn't
4 control those entities beyond the transactions really in which
02:41 5 they were involved. And in denying bond and ordering
6 detention, the magistrate judge found risk of flight but not a
7 danger to the community on the record.

8 Owen was also a pretty reckless person. He met with
9 undercover agents just before his arrest, and he pretty much
02:41 10 outlined the whole operation to those undercover agents and
11 implicated himself in another actual transaction with those
12 undercover agents.

13 I think from the whole record of his life and the
14 things that we've seen in the letters and in his background,
02:42 15 that fundamentally Owen Hanson is a good person. He is a
16 caring and thoughtful person, and he does truly enjoy helping
17 other people. He has a great family and family support, and
18 that is good, and that will serve him well in the coming years.

19 We're here today, though, to talk about I think
02:42 20 punishment, and ten years in prison it is a long, long time,
21 and then ten years of further supervision that will have him
22 under this Court's control for a great deal -- a great number
23 of years.

24 I think the letter from the MCC counselor in the drug
02:42 25 program is unique. I've seen very few of those letters over

1 the years. It demonstrates the extent of Owen Hanson's
2 commitment to others and his commitment to his own sobriety.
3 His own letter to the Court also I think is remarkable in what
4 it reveals about his character and his desire to become a
02:43 5 better person and make contributions to help others grow and to
6 mentor others.

7 Owen's community of family and the people who care
8 about him have hope and I think great expectations for his
9 future when he is released from prison, and all of them are
02:43 10 convinced that a more humble Owen Hanson will be a better
11 version of him and the best version of Owen Hanson yet.

12 We're asking for 121 months in custody. We're asking
13 for ten years of Supervised Release to follow and a
14 recommendation to the RDAP program. He has already
02:43 15 participated in the pre-RDAP, if you will, at the MCC, and I
16 think he could really benefit and continue to benefit and
17 benefit others in those programs through his commitment and
18 also a recommendation to either Terminal Island or Lompoc to
19 further family visitation.

02:44 20 THE COURT: All right. Thank you.

21 Any comments that you would like to make, sir?

22 THE DEFENDANT: Yes, Your Honor. Your Honor, a few
23 years before my arrest I had made some very bad decisions on
24 both the practical and moral level. I had acted selfishly
02:44 25 without regards for others, knowingly broke the law, lied to my

1 loving family, and separated myself from my true friends.

2 With that being said, I am here today to accept full
3 responsibility for my actions, and I am prepared to face the
4 consequences of my wrongdoing and accept the punishment Your
02:44 5 Honor decides.

6 I would like to take this time to thank my family and
7 friends. As you know, some of them are here today. Their love
8 and support over the past two years has meant the world to me.
9 I am truly aware of all the pain, worry, and embarrass I have
02:45 10 caused those closest to me, and I would like to apologize for
11 what I put my family and true friends through.

12 Sorry guys. Thank you.

13 (Spanish language phrase given by the Defendant.)

14 Your love and support has meant the world to me.

02:45 15 Judge Hayes, as I get older, it is clear to me that
16 time is the most precious currency on earth, and to be given a
17 second chance into society to mature as a law abiding and
18 productive citizen would mean the world not only to myself but
19 to my family here today. I will not disappoint this time
02:45 20 around.

21 I plan to turn this negative part of my life into a
22 positive one, by helping children and young adults with
23 addiction issues. I learned so much about myself, and
24 addiction through the programs here at the MCC. I've had the
02:46 25 chance to teach the GED to children that haven't -- young

1 adults that haven't had education and currently reached out to
2 an organization called The Smart Recovery, and I am ready to
3 start now helping children while in custody and when I am
4 released.

02:46 5 Finally, I hope all of you will take into
6 consideration the fact that my family has been dependent upon
7 me for the past seven years. My wife and children have
8 suffered during my incarceration. My immediate family has had
9 to help while I've been in custody. This has been extremely
02:47 10 humbling yet entirely my fault.

11 Thank you, Your Honor, for your close consideration of
12 my case.

13 THE COURT: Thank you, sir.

14 From the Government.

02:47 15 MR. YOUNG: Yes, Your Honor. If it is okay with the
16 Court, I would like to take the podium.

17 THE COURT: Certainly. And before you begin your
18 presentation, just a couple questions I have for the
19 guidelines, and so the -- the guidelines per the plea agreement
02:47 20 are 360 to life; correct?

21 MR. YOUNG: That's correct.

22 THE COURT: And the -- a three-level recommendation
23 for a departure would then set it -- the guideline to 262 to is
24 it 320 -- 327?

02:47 25 MR. YOUNG: 327.

1 THE COURT: So a three-level adjustment. The
2 Guideline Range is 262 to 327; correct?

3 MR. YOUNG: Correct.

4 THE COURT: And then as I understand it, the
02:48 5 Government intends to make a recommendation of 235.

6 MR. YOUNG: That's correct.

7 THE COURT: And the Government intends to make a
8 three-level recommendation of a departure, and then they --
9 they are requesting the Court to vary from 262 to 235; is that
02:48 10 right?

11 MR. YOUNG: 235, correct.

12 THE COURT: Correct. And -- all right. And I
13 understand, certainly, Mr. Adams' request was that -- basically
14 a combination as well -- it was a departure plus some variance.

02:48 15 So are there any comments the Government would like
16 make, sir?

17 MR. YOUNG: Yes. First, with regard to the
18 recommendation --

19 THE COURT: Do we have the person on the line?

02:48 20 THE CLERK: No, Your Honor.

21 THE COURT: There is a victim who wanted to appear, so
22 let's put her on -- put that individual on the line.

23 THE CLERK: Yes, Your Honor.

24 THE COURT: We had a victim that wanted to appear and
02:48 25 wants to be heard.

1 THE CLERK: My apologies, Your Honor.

2 THE COURT: All right. Let's try again. Thank you.

3 MR. CIPRIANI (telephonically): Hello.

4 THE CLERK: Mr. Cipriani.

02:50 5 MR. CIPRIANI (telephonically): Yes.

6 THE CLERK: This is Patricia with Judge Hayes. Can
7 you hear me okay?

8 MR. CIPRIANI (telephonically): Yes, I can.

9 THE COURT: Mr. Cipriani, we're in the sentencing.

02:50 10 This is Judge Hayes. This is not your opportunity to speak
11 yet. I am going to hear from the Government. Then I'll give
12 you an opportunity to speak. If you can remain on the line,
13 and when it is an opportunity for you to speak, you can speak.
14 Do you understand, sir?

02:50 15 MR. CIPRIANI (telephonically): Yes, sir. Thank you,
16 Judge.

17 THE COURT: All right. You're welcome.

18 All right. Government, you may speak.

19 MR. YOUNG: Thank you, Your Honor.

02:50 20 As you mentioned a moment ago, the Government's
21 recommendation is 235 months. That is obviously five months
22 below the current mandatory minimum in this case. The
23 Government would move to dismiss the 851 enhancement to align
24 itself with the Government's recommendation.

02:51 25 THE COURT: That is granted.

1 MR. YOUNG: Thank you.

2 There are essentially three things that I want to talk
3 about today with regard to this defendant and why he is sitting
4 in that seat that he is in today -- in which he is sitting in.

02:51 5 At the time he was arrested this was not a one-time
6 incident. This was not a decision made in haste. It wasn't a
7 decision made out of economic desperation.

8 When he was arrested by law enforcement and
9 essentially stopped from doing what he was doing, he was
02:51 10 ascending. His criminal career was rising. He had started it
11 from scratch. He had built the business -- the illegal
12 businesses that he was operating, and he was on his way up.

13 And the reason that he had chosen the life that he had
14 was in part because he idolized organized crime, and I am going
02:51 15 to speak a little bit more about that later, but he wanted a
16 perception of himself to go out to the war -- to go out to the
17 world, and that was of a mob boss, and he did this for two --
18 for main one reason, which was greed.

19 He wanted to be perceived as a big shot in the illegal
02:52 20 world, and he wanted to have a life of luxury, and he was only
21 willing to obtain the money, obtain the means for that life,
22 through illegal activity.

23 With regard to the ascendancy that he took in his
24 criminal life, as I mentioned, he built this business from
02:52 25 scratch, and it started when he was a student at the University

1 of Southern California. He provided drugs and steroids to his
2 teammates, and it was a small business, but it was a business
3 nonetheless.

02:52 4 And as he grew that business, it eventually grew into
5 a drug trafficking operation that transported thousands of
6 kilos, thousands of kilograms of cocaine from Southern
7 California to Chicago. It transported hundreds of kilograms
8 from Southern California to Australia.

02:53 9 And one of the reasons one might ask himself is why go
10 through all the effort to get drugs from Southern California to
11 Australia when there are other opportunities. And it is the
12 profit margin. It is arbitrage. A kilo of cocaine in Southern
13 California costs approximately \$25,000. A kilo in Australia
14 costs approximately \$200,000.

02:53 15 So if you are inclined to join this type of activity,
16 that is an opportunity you might wish to exploit, and
17 Mr. Hanson exploited that opportunity. And as part of that, he
18 had to get his money back from Australia, and he took a variety
19 of ways in doing that.

02:53 20 In part, you heard from Mr. Cipriani and how he used
21 him to get back millions of dollars into the United States.
22 That is the big sum.

23 He moved it back in smaller sums as well. He had
24 other friends wire back money under false means into the United
02:53 25 States. He even went so far as to smuggle gold coins in Ugg

1 Boots to get his profits from Australia back into the United
2 States.

3 The drugs that Mr. Hanson was trafficking, however,
4 were not just limited to cocaine. When he was interacting with
02:54 5 the undercover agent in this case, he asked him to get him five
6 kilos of methamphetamine. Within a short period of a few days,
7 Mr. Hanson had the connections to get a high purity of
8 methamphetamine, five kilos, and did it quickly without
9 considerable -- what did not appear to be a considerable amount
02:54 10 of effort.

11 He continued to provide steroids and human growth
12 hormone to numerous professional athletes in the United States.

13 That was his drug operation, and obviously the drugs,
14 the quantities, the types drive the guidelines in this case,
02:54 15 but the Court shouldn't ignore the under card violations in
16 this case either, which was his gambling operation.

17 As the Court may be aware, Mr. Hanson was a small
18 player in another gambling organization called Macho Sports
19 that was prosecuted within this district. When Macho -- when
02:55 20 the US Attorneys Office here was prosecuting Macho Sports,
21 Mr. Hanson was tipped off that the FBI was starting to
22 investigate him.

23 He did not take that warning. He did not take that
24 tip. He did not take his perception of Macho Sports being
02:55 25 taken down as warning, as an opportunity to get out of the

1 business, an opportunity to take better -- make a better choice
2 and start going on a legal path in life. He took it as an
3 opportunity to grow his own business, which is what he did.

02:55 4 By the time he was arrested, he was generating -- the
5 illegal gambling business was generating ten millions dollars
6 in revenue. He hired a CPA to clean his money and to create
7 sham companies to move the money around so that they could pay
8 off gamblers. He hired private investigators to look for
9 gamblers who owed him money and track them down.

02:55 10 And he hired, as this Court is aware, hired thugs to
11 approach those gamblers, the delinquent gamblers, to force them
12 -- to make them pay up, and to do that he used violence.

13 As this Court is aware he paid Jack Rissell to travel
14 from Los Angeles to Minneapolis to confront and attack a
02:56 15 gambler in Minneapolis. He went to his home. Mr. Rissell went
16 to his home and physically attacked him outside of his house --
17 outside of his apartment, where his young son was within the --
18 was within the apartment.

19 He paid Rissell an hourly fee to do it, and he
02:56 20 provided a bonus for the attack. Now, Mr. Rissell recorded
21 this attack on video, and when he showed it to the defendant,
22 the defendant responded, "I paid for a smack down, not a soap
23 opera." So he wasn't satisfied with the level of violence that
24 Rissell brought down on this victim in Minneapolis.

02:57 25 The violence didn't stop there. The intimidation and

1 threats of violence didn't stop there. You'll hear from
2 Mr. Cipriani. For a period of several years, this defendant
3 continued to harass and threaten Mr. Cipriani. He paid
4 Portely-Hanks, who is a co-defendant in this case, who this
02:57 5 Court has sentenced, to travel to Philadelphia to locate
6 Mr. Cipriani's gravestone, to throw red paint on it, take
7 photos of it and send it to Mr. Cipriani as a clear threat.

8 If the threat wasn't clear enough, he added a photo
9 shopped date of death "very soon" near Robert Cipriani's name.
02:57 10 And the entire episode of Mr. Cipriani resulted in him
11 ultimately receiving a DVD that depicted two individuals who
12 were decapitated, one with a chain saw and another with a
13 knife, and the threat was clear, pay up or this could happen to
14 you.

02:58 15 I mentioned earlier that Mr. Hanson's motivation here
16 was two things. One was to be perceived by the world as a mob
17 boss, and the other was greed. And I think the greed is best
18 evidenced in the forfeiture order. As result of his crimes, he
19 is forfeiting houses in Peru, Costa Rica, and Cabo San Lucas,
02:58 20 luxury vehicles, including a Porsche and two Range Rovers, gold
21 and silver coins, hundreds of thousands of dollars in luxury
22 watches and jewelry, art, and cash that was secreted in private
23 vehicles throughout the United States and in private vaults
24 that required retina scans to enter the secret compartments of
02:58 25 cars, secret compartments underneath bathtubs in apartments in

1 New Jersey and cash that was held by several of his
2 coconspirators.

3 Now, he -- and I mention this earlier -- he was caught
4 at the early stages of his career, and it didn't stop when he
02:58 5 was arrested. After he was arrested, before his coconspirators
6 were arrested on the larger superseding indictment that
7 followed in January of 2016 -- Mr. Hanson was originally
8 arrested in September October of 2015 -- during that period
9 where his coconspirators on the gambling side were outside of
02:59 10 prison, he gave them a message, and the message was clear, and
11 it was, keep the business running, boss' orders.

12 Even after law enforcement managed to pull him off the
13 streets, he continued to try to operate and run his business.
14 He did it with a lot of people this Court has already seen, and
02:59 15 a lot of people have already been in front of this Court. And
16 the Court has experienced this. You've met these individuals,
17 and they know why they are here, and it is not to excuse their
18 behavior. They have all admitted guilt.

19 But I think at this point to a man, they have all said
02:59 20 that "but for" Owen Hanson, they would not be in the position
21 that they were in, that he found their weaknesses and he
22 exploited them.

23 And there is a comment in our sentencing papers that I
24 think is worth repeating here, which was, He found gamblers and
03:00 25 turned them into bookies because they owed him money. He found

1 addicts, and he turned them into drug addicts to continue to
2 fund their own -- he found addicts and turned them into drug
3 dealer to fund their own addiction. He turned his own friends
4 into felons.

03:00 5 It is not to excuse the behavior of his co-defendants
6 in this case, but the fact is is that associating with Owen
7 Hanson during this period destroyed the lives of many people,
8 and it is a responsibility that he should carry.

9 Now, with regard to the perception he wanted the world
03:00 10 to see of him, he idolized organized crime. That is evidenced
11 throughout the evidence in this case. When he operated his
12 drug trafficking business, he used an encrypted Blackberry to
13 do so. The handle that he chose to use was Don Corleone, which
14 is a clear call out to the movie The Godfather.

03:00 15 He invested in a restaurant with Luke Fairfield, his
16 co-defendant, and insisted that one of the rooms in the
17 restaurant, the back room of the restaurant, to be decorated
18 with posters of the Mafia and be referred to as the, quote,
19 wise guy room.

03:01 20 He had silver plated AK-47 in his house. When
21 communicating with his coconspirators, he would talk of popular
22 drug trafficking TV shows like, Narcos and El Chapo that were
23 commonly mentioned and referred to and bragged about.

24 The symbol that he used for his gambling business is a
03:01 25 mishmash of call outs to organized crime, including the

1 Sopranos and The Godfather. It includes handguns.

2 Mr. Hanson wanted the world to know he loved wealthy,
3 luxury things, he loved wealth, and that he wanted to be
4 perceived as a mobster. He wanted to be perceived as a mob
03:01 5 boss. That is the choice that Mr. Hanson made, and now he is
6 facing mob boss time. He is the only person who is responsible
7 for that decision.

8 Two final things, Your Honor. This Court often sees a
9 lot of defendants who made hasty decisions, who may have been
03:02 10 motivated by economic desperation, and they receive sentences
11 that are quite severe and just, but approaching the level of
12 sentence Mr. Hanson is asking for in this Court.

13 There is differences between Mr. Hanson and those
14 defendants. He was educated at one of the finest universities
03:02 15 in this country. He received a business education from that
16 university. He grew up in Redondo Beach. He grew up in
17 wealth.

18 He was exposed to famous coaches, famous athletes. He
19 had support of his family, and he chose to enter this life.

03:02 20 How many defendants that come before this Court who
21 receive severe sentences have -- could even dream of those
22 opportunities? Mr. Hanson had those opportunities, and he
23 flushed them down the toilet, and he wasted them.

24 That disparity between what ones life can be and what
03:03 25 you choose to be is one of the reasons that the United States

1 is asking for this sentence that it is asking for here, and
2 that specifically goes to general deterrence.

3 Within his Blackberry there is a specific
4 communication that he has with some of his drug trafficking
03:03 5 coconspirators, and they brag about the way to never get caught
6 is to be a ghost, and before this Court today is one of those
7 ghosts. The Court does not often have an opportunity to
8 sentence somebody like Owen Hanson, doesn't have an opportunity
9 to sentence somebody who has idolized organize crime, who chose
03:03 10 to join it and who is essentially the upper rung of drug
11 trafficking.

12 Suppose there is a person out there who is like Owen
13 Hanson, who is faced with these choices now, the sentence that
14 the Court hands down today may very well deter that person from
03:04 15 joining an industry -- a criminal industry like this.

16 With regard to specific deterrence, I will finish with
17 this, I am not personally convinced that a light sentence,
18 which frankly in this case, I think a light sentence is in the
19 10- to 11-year range, would specifically deter this defendant.

03:04 20 He certainly revealed to the Government and to the
21 Court that he has not turned completely in the right path. And
22 I go back to when he is -- first went into prison and he
23 continued to run his gambling operation from the MCC, and that
24 didn't stop. And of course, this Court is aware of other
03:04 25 actions that this defendant took that indicates that he is not

1 fully there yet.

2 And he may have in the future an opportunity to make
3 the right choices. I hope that he does when he -- when and if
4 those opportunities arise, but at this moment I don't think a
03:04 5 sentence in the range that is being requested by defense
6 counsel is sufficient to deter him, and I think that number is
7 much closer to where the United States is, and so we would
8 reiterate our request that Owen Hanson be sentenced to
9 235 months.

03:05 10 THE COURT: All right. Thank you.

11 Mr. Cipriani, any comments that you would like to
12 make, sir?

13 MR. CIPRIANI (telephonically): Yes, sir. First of
14 all, I would like to thank the Court for making this
03:05 15 accommodation for me. This is quite important. This case
16 touches me for a lot of reasons.

17 First, I would like to say thank you to the FBI and
18 DOJ and the Assistant US Attorney and their tireless work in
19 this case. All the agents involved have done an extraordinary
03:05 20 job and helped save the lives of both myself and my wife and
21 probably countless others.

22 Owen Hanson hired people to intimidate, threaten,
23 hurt, kidnap, and kill me and my wife. While people all seem
24 to forget the countless lives that have been saved because the
03:06 25 drugs that Owen Hanson was selling was also destroying and

1 polluting lives.

2 Wherever these drugs were sold, lives were being
3 destroyed. Families were being destroyed. Lives were hanging
4 in the balance. Our way of life was being jeopardize because
03:06 5 Owen Hanson's disregard for anyone but himself and would stay
6 in the drug business making his millions and millions and
7 silenced anyone who stood in his way, especially me.

8 I stood up to him and would not be bullied or
9 threatened in any way by him or his crew without repercussions.
03:06 10 I had to take matters in my own hands and find out everything
11 about him and his friends. I was able to find out incredible
12 things that no one in law enforcement believed until I called
13 an Brett Finavio (phonetic) at the San Diego FBI. He listened
14 and believed me.

03:06 15 The FBI agents involved in this case Brett, John, and
16 Nick are the real heros of this case, not me. They believed me
17 when no one else in law enforcement would, including the FBI in
18 Philadelphia that I contacted, and I contacted a lot of
19 different agencies, and believe me, there were a lot, and the
03:07 20 San Diego FBI with the DOJ after I spoke to Brett connected all
21 the dots and did their jobs as FBI agents do every day for the
22 greatest country in the world, the United States of America.

23 I know the FBI is getting a lot of bad press around
24 the world lately, but people just don't know the real facts of
03:07 25 what the FBI does every day to protect us and our freedoms.

1 They keep our country safe. We need the FBI more than you can
2 possibly imagine.

3 I also want to thank the Assistant Attorney Andrew
4 Young for all his hard work in prosecuting this case. He did
03:08 5 his job times a thousand. I'll never forget and always be
6 thankful for him bringing Owen Hanson and his cohorts to
7 justice.

8 I would like to say that this case has affected me in
9 many different ways, Your Honor. First, my wife -- whoever was
03:08 10 speaking, I think it was the Assistant US Attorney, he
11 neglected to say that this DVD and the other things that Owen
12 Hanson did was not only to me but was to my wife. She went
13 through hell because Owen Hanson and his determination and his
14 endless bank roll to intimidate to scare the hell out of her.

03:08 15 She is so fearful still today because of what Owen
16 Hanson put her through. She constantly looks over her shoulder
17 wondering who will reach out to try to hurt her next. She
18 can't even check her damn mail without being worried that it
19 has a package being sent by Owen Hanson or by one of his crew.

03:09 20 I have to take her everywhere she goes by car because
21 of this. She is an actress and a model who goes to auditions
22 every day with the trepidation of not knowing if she will be
23 safe. She won't forget what Owen Hanson did. He sent a DVD
24 showing the beheadings of two men in the dirt saying that my
03:09 25 wife Grace and Robin Hood would be next and that this is what

1 happens to people that cross Owen Hanson.

2 He sent flowers and notes to my wife reminding her
3 that he knew exactly where she lived. He called her countless
4 times on her cellphone to let her know that he was still on her
03:09 5 and he wasn't going to forget her. She still to this day has
6 nightmares for years watching the beheadings of the DVD that
7 Owen Hanson sent to her and to me separately.

8 In the video Hanson has a masked man with a machine
9 gun call out her name, Grace, and say that her and I were next.
03:10 10 The video cuts to two men kneeling in the dirt with their hands
11 tied behind their back while two men stand near them. After
12 talking, one gets beheaded with a chain saw while the other man
13 also kneeling watches in absolute horror, and then the other
14 masked man comes in frame and beheads the last man with a
03:10 15 butcher knife.

16 Words cannot describe to this Court the horror my wife
17 went through watching every frame in this video. It was
18 gruesome. What cowardly scum bags do this to some young
19 defenseless girl?

03:10 20 Don't forget about Charles D'Agostino. His long time
21 friend, Owen Hanson's family lifetime friend -- I know that for
22 a fact because I spoke to him. Charlie knew this kid, Owen
23 Hanson, grow up and knew him and his father and his family. He
24 is not here because Owen Hanson put him in a position that one
03:11 25 day he thought there was no way out, that one day after working

1 he went to hang himself rather than face the embarrassment of
2 what he had to go through, to put his family through.

3 So right now his wife, his son and his daughter, don't
4 have Charles D'Agostino because of that defendant that is
03:11 5 sitting there in the courtroom. He caused a man to hang
6 himself and take his own life rather than face the music.

7 This has been an incredible situation that I have
8 lived through, Your Honor. I don't want to bring this up after
9 what I mentioned, but as far as it has affected me, I am
03:11 10 professional gambler and philanthropist, and I help people all
11 over of the world, Your Honor, with my gambling winnings. I go
12 by the name Robin Hood 702.

13 Because of this case I have barred by the most -- the
14 biggest casinos all over the world because the casino
03:12 15 compliance departments thought I was part of this drug gambling
16 ring and this money laundering ring. My name needs to be
17 cleared so I can have my life back and to continue to help
18 people all over the world with my gambling exploits.

19 But one thing I want Owen Hanson to know as he sits
03:12 20 there, he made his biggest mistake in his criminal career when
21 he paid someone thousands of dollars to drive from Los Angeles
22 to Philadelphia to desecrate my mother and father's grave.
23 What Owen Hanson forgot is that my mother Regina was the person
24 I held in the most regard for in my life.

03:12 25 I took care of her for six and a half years while she

1 was battling Alzheimer's. I was the one that fed her, changed
2 her diapers, washed her every day, doing all the things that a
3 man should never have to do for a woman, especially his old
4 fashioned, very reserved and very proud mom.

03:13 5 While day after day she forgot little by little who I
6 even was and couldn't remember my name most days, Regina
7 Cipriani was the best human being, the most caring, the most
8 loving, the most generous person I ever knew, and I had the
9 distinct pleasure of calling her mom.

03:13 10 This is who Owen Hanson decided to desecrate her grave
11 in Phili, and this is when I knew that I had to put every one
12 of these bastards in jail.

13 So, please, Judge, recognize what I am telling you and
14 please give Owen Hanson the maximum sentence that he has
03:13 15 already pled to, 20 years minimum mandatory in prison. Send a
16 scrolled message, Judge, to the other drug dealers in the world
17 that this drug business is what is ruining our country, our
18 kids, our families, and our future. More than anything, it
19 won't be tolerated in the US of A.

03:14 20 And the last thing that I want to say to Owen Hanson,
21 while you sit there and you are facing decades in jail, your
22 wife, Crista Valarde, has moved on with her life and your money
23 and has been spending your money and having a grand old time
24 travelling and dating and having sex --

03:14 25 THE COURT: Mr. Cipriani --

1 MR. CIPRIANI (telephonically): -- with both men and
2 woman.

3 THE COURT: -- I think we're finished now. I don't
4 think that type of comment is appropriate at the sentencing
03:14 5 hearing, and so --

6 MR. CIPRIANI (telephonically): Okay, Your Honor.

7 THE COURT: You completed your remarks, is that
8 correct, sir?

9 MR. CIPRIANI (telephonically): Let me leave you with
03:14 10 this, Your Honor --

11 THE COURT: Sure.

12 MR. CIPRIANI (telephonically): -- I am not asking
13 you, I am begging you, Your Honor, to give this man the
14 maximum, because once he is out, he is only going to come after
03:14 15 me, Chris -- you know, my wife, and whoever else stood in his
16 way and put them where he is today. I am asking you, pleading
17 with the Court, to give him the full sentence, Your Honor.

18 I thank you for giving me the time here today. I
19 thank the FBI and the DOJ and all the Assistant US Attorneys
03:15 20 that made this case happen and put these people behind bars.
21 Thank you so much.

22 THE COURT: You are welcome, sir.

23 All right. There are no other victims that wish to
24 present, is that correct, counsel?

03:15 25 MR. YOUNG: That's correct, Your Honor. We intended

1 to locate the victims specifically in Minneapolis, and we have
2 not been able to find them.

3 THE COURT: Mr. Adams, what was your position on the
4 fine? The presentence report recommends a \$25,000 fine on
03:15 5 each -- which I interpret to mean on each count.

6 MR. ADAMS: Your Honor, we recommend no fine in light
7 of the forfeiture judgment.

8 THE COURT: All right. What is the Government's
9 position with respect to the fine?

03:15 10 MR. YOUNG: With respect to the forfeiture, Your
11 Honor, we also don't recommend a fine.

12 THE COURT: Is that in light of the \$5 million
13 forfeiture?

14 MR. YOUNG: Correct.

03:15 15 THE COURT: Thank you, counsel.

16 Anything --

17 MR. ADAMS: Your Honor, I just wanted to make a couple
18 of observations. I don't think that Mr. Cipriani's comments
19 are really entirely appropriate. He has a history himself of
03:16 20 using the internet to attack other people.

21 THE COURT: I don't know that that is, you know --
22 Mr. Cipriani is not being sentenced here. The comments that he
23 spoke about deal with information that is in the presentence
24 report. I understood his comments to be primarily directed
03:16 25 towards the information that is in the presentence report.

1 MR. ADAMS: Well, Your Honor, he himself was an
2 unindicted co-conspirator in this case. He earned money as
3 part of this, and he was banned from the casinos for a reason,
4 because he was involved in the money laundering operation of
03:16 5 this.

6 I don't think that he feels threatened in the least by
7 Mr. Owen Hanson. In fact, he's made threats towards
8 Mr. Hanson. And he made threats here in court this afternoon
9 by telephone, and he has made threats using the internet
03:16 10 against Mr. Hanson and his family.

11 So I think the Court needs to temper the remarks that
12 we heard from Mr. Cipriani with an understanding of his
13 background, including his own criminal conviction for fraud and
14 using the Court's to perpetuate fraud in Philadelphia.

03:17 15 I do want to point out also that Mr. Hanson is very
16 ashamed of his conduct. He was using illegal drugs, including
17 steroids, during the period of time that he was making these
18 decisions and judgment. He is not a mobster. He is not a mob
19 kingpin. He is not a drug kingpin. He is not a killer, and he
03:17 20 didn't threaten people himself.

21 THE COURT: Thank you.

22 MR. ADAMS: Thank you, Your Honor.

23 THE COURT: Thank you, sir.

24 Mr. Hanson did plead guilty to two counts. He pled
03:17 25 guilty to Count 1, a superseding indictment which charged a

1 violation of Title 18, United States Code, Section 1962,
2 racketeering conspiracy to conduct enterprise affairs; and he
3 also pled guilty to Count 4 of a superseding indictment,
4 violation of Title 21, United States Code, Section 841(a)(1)
03:17 5 and 846, conspiracy to distribute illegal narcotics.

6 First, some of the facts of the case -- the case is
7 laid out in some detail in the plea agreement. All these facts
8 are facts that Mr. Hanson agreed to:

9 The enterprise of the racketeering conspiracy was
03:18 10 known as ODOG. It was an enterprise. It was an association
11 and a group of individuals who were associated in fact for the
12 purpose of importing, exporting, and distributing controlled
13 substances; conducting an illegal gambling business;
14 transmitting wagering information, bookmaking, using telephones
03:18 15 and the internet in aid of those racketeering activities; money
16 laundering and other acts related to maintaining the illegal
17 operation and avoiding detection by law enforcement.

18 ODOG imported, exported, distributed throughout the
19 United States, Australia, and elsewhere wholesale and retail
03:18 20 quantities of cocaine, methamphetamine, heroin, ecstasy.

21 ODOG operated internet sports gambling websites which
22 were hosted on servers located outside the United States.

23 ODOG also operated toll free telephone services to
24 facilitate sports betting.

03:19 25 In addition to operating in Central and South America,

1 ODOG operated within the United States, primarily within the
2 Southern District and Central District of California by, among
3 other things, offering, conducting, and facilitating unlawful
4 computer and telephone service-based sports gambling using
03:19 5 ODOG's websites and toll free numbers.

6 Mr. Hanson admitted that he was the founder and leader
7 of ODOG. He managed and directed ODOG operations primarily
8 from Southern California. Mr. Hanson, again, admitted that he
9 was organizer and leader of ODOG with decisionmaking authority
03:19 10 over all drug distribution and gambling operations.

11 ODOG's distribution and gambling operations involved
12 more than 20 individuals.

13 Again, the defendant admitted that he oversaw a drug
14 distribution network of more than five individuals that
03:20 15 imported, exported, and distributed throughout the United
16 States, Australia, and elsewhere hundreds of kilos of cocaine,
17 heroin, methamphetamine, MDA, anabolic steroids, human growth
18 hormone.

19 The drug operation at Hanson's directions distributed
03:20 20 controlled substances at wholesale and retail values and
21 routinely provided controlled substances, including
22 performance-enhancing drugs to professional athletes.

23 He also oversaw an illegal gambling network of more
24 than 20 individuals including managers, bookies, runners, and
03:20 25 enforcements. The gambling network accepted wagers on sporting

1 events from individuals throughout the United States, including
2 Southern California.

3 Also, just as set forth in the presentence report,
4 some additional facts: On June 10th of 2011, Mr. Hanson caused
03:21 5 an individual to transport approximately a million and a half
6 in drug trafficking proceeds from Australia to Las Vegas,
7 Nevada.

8 In August of 2011 he attempted to cause an individual
9 to transport two and a half million dollars in criminal
03:21 10 proceeds from Australia to the United States.

11 From September -- just from September 4th to
12 September 8th of 2015, Mr. Hanson caused co-conspirators to
13 package and ship more than 250 kilograms of cocaine from Los
14 Angeles, California, to locations unknown.

03:21 15 There are also the incidents that have been referred
16 to by Government counsel and by Mr. Cipriani concerning the
17 threats that were also made.

18 The Advisory Guidelines, both start at a Base Offense
19 Level 38. There is a plus two pursuant to Section 2D1.1B2, use
03:22 20 of violence, slash, credible threats. The plus four for role
21 in the offense. It is aggravated organizer and leader. The
22 Adjusted Offense Level is 44. There is a three-level reduction
23 for acceptance of responsibility.

24 The Total Offense Level is 41. The defendant has four
03:22 25 criminal history points. I find that he is in a Criminal

1 History Category III. I don't find that it is
2 over-represented. It is certainly not the worst Criminal
3 History Category III that I have seen, but I don't find as
4 matter of law that it is over-represented.

03:22 5 The Guideline Range before any departures is 360 to
6 life. The Court will depart downward three levels pursuant to
7 Section 5K1.1 as requested by the Government. I made some
8 comments about that previously. I think it is -- I think it is
9 more than fair. I think under some circumstances, the
03:23 10 Government would have been certainly justified to make no
11 departure and to preclude any additional opportunity.

12 And unfortunately, Mr. Hanson, you know, since the
13 time of your arrest you, you know, in some respects have been
14 your own worst enemy.

03:23 15 Certainly the -- you know, Mr. Adams, in your
16 sentencing memorandum, you do request -- you mentioned his
17 extraordinary post-arrest rehabilitation while on pretrial
18 detention. You know, he certainly has done some positive
19 things while he was detained, but, you know, as we discussed,
03:24 20 he did some things that were -- you know, that were not
21 positive, that undercut his position greatly.

22 And it is not surprising -- he is not the first person
23 to engage in that conduct after arrest, and, you know, he lived
24 a life of -- there is no kind way of saying it, he was a
03:24 25 criminal for a number of years, and so when some people are in

1 custody, it -- I think it is unrealistic to expect them to
2 change the way they look at things instantaneously. It usually
3 does not happen.

03:24 4 But, you know, the Guideline Range -- and the
5 guidelines are only advisory, but they are 360 to life, and,
6 you know, the Government has requested a downward departure.
7 You know, I granted it, but it's -- the Government clearly
8 could have said no, none, and that would be a justifiable
9 position, and it also would have been a justifiable position to
03:25 10 not prevent any additional opportunity.

11 But on the other hand, I do think that the three is
12 warranted because in addition to the negative there are some
13 positives, and so I think the Government's position, their
14 request, is warranted. I don't think that anything above that
03:25 15 is.

16 And one can't say what it would have been but for, you
17 know, the negatives. It would have been more than what it is,
18 though, I can tell you that, but it is what it is, and it is
19 not as bad as it could have been, but it is not as good as it
03:25 20 could have been, and that is -- Mr. Hanson knows better than
21 anybody why that is the case, unfortunately.

22 With respect to the 3553 factors, the nature and
23 circumstances of the offense, this is an aggravated case. The
24 size of the drug trafficking organization is staggering as well
03:26 25 as the, you know, the gambling enterprise. I mean, Mr. Hanson,

1 you know, put together a very large organization.

2 And it is not -- this wasn't somebody who was trying
3 to smuggle drugs, you know, a couple carloads of drugs from
4 Mexico to the United States. He was he was an international
03:26 5 drug trafficker. He was very, very successful.

6 And he had access to huge amounts of cocaine. I mean,
7 he moved -- he moved hundreds of kilos sometimes a month from
8 Mexico to the United States or to Canada or other places. It
9 is astounding that somebody has access to literally hundreds of
03:26 10 kilos a month, and all over the globe.

11 He was very, very well compensated. He took -- he
12 took a large risk, and generally when people get to his level,
13 the risk is enormous, as he well knows, and I am sure he knew
14 then, but the financial rewards they are enormous as well.

03:27 15 The Government -- he is forfeiting \$5 million worth of
16 property. That is what he is forfeiting. Who knows what he
17 earned previously, but you look at what he gave up, and the
18 Government counsel alluded to, there is no need for me to go
19 back over it, but it is multiple cars, tremendous amounts of
03:27 20 cash, country club memberships.

21 One has to wonder how much is enough. But the size of
22 it, both the gambling organization and the drug -- the size of
23 the drug organization is astounding. He was an international
24 drug trafficker, and that is not an overstatement when one
03:27 25 looks at just the volume and the money. That is -- that is

1 just the reality.

2 You know, the history and characteristics of
3 Mr. Hanson, like with most individuals that come here, they are
4 mixed. It is hard to understand, Mr. Hanson, how you ended up
03:28 5 here. It really is. When one looks at your upbringing where
6 you went to school, the opportunities you had -- I mean, for
7 the parents and for the people who know you, it has to be
8 heartbreaking to see somebody, I mean, with the potential and
9 the opportunity. I can't imagine what is going through their
03:28 10 hearts and their minds. It literally has to be heartbreaking
11 for them.

12 To see somebody who had so much potential -- it is
13 hard to understand, and as Government counsel pointed out, most
14 of the time the people are here who really get big in the drug
03:28 15 business, they started because a perceived lack of any
16 opportunity. Many of them came from poverty, and they saw it
17 as the only way out, and they made it, and it just leads on
18 itself.

19 I have people in here not -- well, a couple months
03:28 20 ago, both their mothers and fathers were drug dealers. They
21 got involved in the drug business when they were 14 years old.
22 I was sentencing somebody here when he was 18, and his mother
23 and father were drug dealers and sister were. That is all he
24 knew. They were drug dealer people in the household.

03:29 25 And I told him if your mother and father were

1 engineers, there is a good chance you would be an engineer, but
2 that is what happened. It was the environment that he was in.

3 For you, it is hard to explain, and the fact that you
4 came from a community that was relatively well off, and you
03:29 5 won't be treated nor should you be treated any more harshly
6 than anybody who came from poverty. And both the rich and the
7 poor are entitled to the same justice. Just because somebody
8 is poor, doesn't mean that they get less, and just because
9 somebody is wealthy is treated differently more harshly or the
03:29 10 same.

11 It is just difficult to understand how you got here
12 other than greed. It doesn't sound nice, but I mean, other
13 than that, I don't really understand. You were well-educated.
14 You did well in high school. You grew up in a community that
03:30 15 most people would like to grow up in. You went to -- had the
16 opportunity to go to school. You did well. You attended
17 classes. When you got out, you were successful, and, you know,
18 in a legitimate, lawful employment. You were fairly
19 successful.

03:30 20 You know, I don't know what prompted it. I
21 understand, you know, there is some suggestion, you know, maybe
22 the downturn in '08 may have been a factor. I don't know if
23 that is the case or not or this really started in college. It
24 doesn't really matter because -- there is a downturn and most
03:30 25 people, they weathered it.

1 And, you know, for whatever reason you elected to use
2 your talents to engage in this behavior. It was wide ranging.
3 It was for an extended period of time. You know, as Government
4 counsel points out, we get people in here every week that are
03:30 5 18, 19, they make a bad decision. They drive drugs from Mexico
6 to the United States. They do it one time, two times, three
7 times, there is 20 kilos of meth in it.

8 And they were told 40 months, 60 months, 70 months.
9 Some may get more. Some may get less. Their judgment is
03:31 10 usually bad. They don't have a lot of life experience, and
11 some just some from abject poverty. They are just as poor as
12 can be, and 2,000 sounds like a great deal and they just do it,
13 and they don't have much time to reflect on it.

14 Unfortunately for you, you had a lot of time to
03:31 15 reflect. You had life experience. You had judgment. And for
16 whatever reason you just continue to engage in this behavior.

17 I should note that with the three-level reduction, I
18 do find the Guideline Range to be 262 to 327. So I did depart
19 downward three levels, so that is what I find. I find the
03:31 20 Guideline Range to be 362 -- 262 to 327.

21 And as I noted, it would have been -- your Guideline
22 Range would have been lower but for some things that you did
23 post-arrest that really simply did not -- did not help you.

24 The need for the sentence to reflect the seriousness
03:32 25 of the offense, promote respect for the law, and provide just

1 punishment, in this case the Court is going to impose a
2 sentence of 255 months.

3 I think it is the minimum sentence to satisfy the 3553
4 factors. I don't think that a sentence of ten years would.

03:32 5 And I understand, Mr. Adams, that, you know, you
6 certainly made a strong argument, but there are people who do a
7 fraction, a fraction of what, you know, Mr. Hanson has done,
8 and they receive sentences that are in that ballpark.

9 And generally when the Court sentences people here on
03:32 10 drug cases -- and there are a tremendous amount of drug cases
11 here in the Southern District of California. We get the
12 low-level people. We get the people at the bottom. We don't
13 get the people that are at the top. And by anybody's
14 definition, Mr. Hanson was at the top, and he was at the top
03:33 15 for a long period of time.

16 And the risks are great. The rewards were tremendous,
17 but people who are making millions of dollars in the drug
18 business when they are caught -- and I don't know what
19 percentage of them are caught, my guess is not many -- the
03:33 20 sanctions are high.

21 I am mindful of how much time that is for someone who
22 has never spent real time in custody and somebody who is as
23 young as you are, but I do note that the Guideline Range before
24 this was 360 to life. This sentence is significantly less than
03:33 25 that. But in light of the wide-scale organization, I think

1 that any sentence less than that would cause an unwarranted
2 sentencing disparity when one considers what people typically
3 get for dealing in drugs at a level much, much lower than you
4 did, and, again, that also has to take into account the
03:33 5 gambling aspects of the case.

6 I've considered all 3553 factors, all the arguments of
7 counsel, all the submissions to the Court, all the comments
8 that have been made by counsel, and certainly those comments
9 that we addressed at sidebar, and I take into account --
03:34 10 obviously, I've taken into account those comments as well.

11 Therefore, pursuant to the Sentencing Reform Act of
12 1984, it is the judgment of this Court that the defendant is
13 committed to the custody of Bureau of Prisons to be imprisoned
14 for a period of 255 months on Count 1, 255 months on Count 4,
03:34 15 with a ten-year period of Supervised Release.

16 And the sentences -- the custodial sentences are to be
17 served concurrently. The Supervised Release is to be served
18 concurrently, ten years on each count.

19 The Court imposes the mandatory and standard
03:34 20 conditions of supervision and the following special conditions:

21 That he not engage in the employment or profession
22 involving gambling, that he report all vehicles owned or
23 operated or in which he has an interest to the probation
24 officer.

03:35 25 That he submit his person, property, residence,

1 office, or vehicle to a search conducted by a United States
2 probation officer at a reasonable time and in a reasonable
3 manner, based upon reasonable suspicion of contraband or
4 evidence of a violation of a condition of release.

03:35 5 Failure to submit to a search may be grounds for
6 revocation.

7 Defendant shall warn any other residents that the
8 premises may be subject to searches pursuant to this condition.

9 Provide complete disclosure, personal and business
03:35 10 financial records, to the probation officer as requested.

11 Notify the Collections Unit, United States Attorneys
12 Office, of any interest in property obtained directly or
13 indirectly, including any interest obtained under any other
14 name or entity, including a trust, partnership, or corporation,
03:35 15 until the fine or restitution is paid in full.

16 Notify the Collections Unit, United States Attorneys
17 Office, before transferring any interest in property owned
18 directly or indirectly, including any interest held or owned
19 under any other name or entity, including a trust, partnership,
03:35 20 or corporation.

21 Be prohibited from opening checking accounts or
22 incurring new credit charges or opening additional lines of
23 credit without approval of the probation officer.

24 The Court does not impose a fine, finding the
03:36 25 defendant does not have the financial ability to pay a fine.

1 The Court does impose the required \$100 mandatory
2 special penalty assessment on Counts 1 and 2 for a total
3 assessment of \$200.

03:36 4 The Court will recommend that the defendant be
5 permitted to participate in the 500-hour drug treatment
6 program.

7 The Court will also recommend that the defendant be
8 designated to a facility in the Central District of California
9 as close to Los Angeles area as possible.

03:36 10 The Court declines to recommend to the Bureau of
11 Prisons as to whether or not they should make any adjustment to
12 a halfway house 24 months out. I think that it is just too
13 early to discuss that at this point.

14 Counsel, would you please come forward and obtain a
03:36 15 copy of the terms of Supervised Release, and please provide a
16 copy of those to your client.

17 MR. ADAMS: Yes, Your Honor. Thank you.

18 THE COURT: Are there additional counts to dismiss,
19 counsel?

03:36 20 MR. YOUNG: Yes, Your Honor. The Government dismisses
21 Counts 2 and 3.

22 And I believe you misspoke on the \$100 assessment.
23 You said Counts 1 and 2.

24 THE COURT: I'm sorry. Counts 1 and 4. Counts 1 and
03:37 25 4 are \$100 penalty assessment, with a total assessment of \$200.

1 On Counts 1 and 4, the custodial portion of the
2 sentences are to be served concurrently.

3 On Counts 1 and 4, the Supervised Release is to be
4 served concurrently.

03:37 5 Counsel, in light of the sentence imposed, does your
6 client waive his right to appeal?

7 MR. ADAMS: He does.

8 THE COURT: Anything further?

9 MR. ADAMS: No. Thank you.

03:37 10 THE COURT: All right. Good luck to you, sir.

11 (Proceedings concluded at 3:37 p.m.)

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C-E-R-T-I-F-I-C-A-T-I-O-N

I hereby certify that I am a duly appointed, qualified and acting official Court Reporter for the United States District Court; that the foregoing is a true and correct transcript of the proceedings had in the aforementioned cause; that said transcript is a true and correct transcription of my stenographic notes; and that the format used herein complies with the rules and requirements of the United States Judicial Conference.

DATED: December 24, 2017, at San Diego, California.

/s/ Melinda S. Setterman

Melinda S. Setterman,
Registered Professional Reporter
Certified Realtime Reporter